

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

February 26, 2002

**CORRECTED**  
ORDER GRANTING  
EXEMPTION AND  
SETTING SCHEDULE

CENTRAL MAINE POWER COMPANY  
Standard Rates for Energy and Capacity  
Purchases

Docket No. 2002-29

BANGOR HYDRO-ELECTRIC COMPANY  
Standard Rates for Energy and Capacity  
Purchases

Docket No. 2002-44

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WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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On February 8, 2002, the Examiner issued a Notice of Proceeding in the above matter. The Notice set February 15, 2002 as the deadline for intervention and objections to the rates proposed by Central Maine Power Company (CMP) and Bangor Hydro-Electric Company (BHE). The February 15<sup>th</sup> deadline is established in accordance with Chapter 360 of the Commission's rules. Specifically, Chapter 360 provides:

Procedure. Any interested person may object to the utility's proposed short term energy rates by demonstrating that the rates are not reasonably representative of short-term wholesale energy costs in Maine or are otherwise inconsistent with law. Objections must be filed by February 15. If no objections are filed, the short-term energy rates shall become effective on March 1, unless suspended by the Commission or its Director of Technical Analysis. If an objection is filed, the Commission or its Director of Technical Analysis may suspend the filing. In the event the filing is suspended, the Commission will adopt procedures for establishing short-term energy rates.

Chapter 360 § 4(C)(2)(b)(ii).<sup>1</sup> Chapter 360 also provides an exception provision. This provision states:

Exceptions. Upon the request of any person subject to the provisions of this chapter or upon its own motion, the Commission may deviate from the provisions of this chapter for good cause shown or to the extent that it deems necessary to further the purposes and policies of this chapter.

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<sup>1</sup> The rule contains an identical provision for the setting of Standard Rates for Energy and Capacity. See Chapter 360 § 4(C)(3)(d)(ii).

Chapter 360 § 1(B).

IEPM's ground for its requested exemption from the rule's deadline is that its delay in filing will not prevent the parties from meeting the March 1<sup>st</sup> effectiveness date. IEPM also asserts as a ground for its request its belief that the rates proposed by the utilities violate Commission precedent on the establishment of STEO rates in the restructured market. IEPM asserts, "[i]n the absence of a stand-alone QF auction process, the highest price bid for the QF output is the best indicator of the market price."

We grant IEPM's exception request because we conclude that allowing IEPM a limited opportunity to address the effect of our recent Order on Reconsideration in Docket No. 2001-399 on the setting of STEO and Standard rates when there is no linked bid will provide further clarity for the future establishment of STEO and Standard rates. Because of the potential precedential effect on the setting of STEO and Standard Rates of our Order on Reconsideration, we will provide an opportunity, albeit on an expedited basis, for IEPM to address the following question:

Why should not our recent conclusion that "the accepted bid price for utility entitlements in the recent solicitation is consistent with their stand-alone market value," Public *Utilities Commission, Standard Offer Bidding Process*, Docket No. 2001-399 (January 11, 2002) resolve any and all questions about whether the accepted linked entitlement bids are consistent with the market value of the utility entitlements.

The IEPM may provide additional comments in addition to addressing this question. **The deadline for IEPM's response to the above question is March 1, 2002. Any party may reply to the IEPM's response on or before March 5, 2002.** An Examiner's Report will be issued on March 12, 2002 and Exceptions are due on March 15, 2002. The Commission is expected to deliberate this matter on March 18, 2002. The Director of Technical Analysis is directed to suspend the rates consistent with this Order.

Dated at Augusta, Maine, this 26<sup>th</sup> day of February, 2002.

BY ORDER OF THE COMMISSION

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Raymond J. Robichaud  
Assistant Administrative Director

COMMISSIONERS VOTING FOR:      Nugent  
   Diamond

COMMISSIONER ABSENT:              Welch

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.